



The Influence of Debt Contracts and Corporate Governance Mechanisms on Accounting Conservatism

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History:

Submit: July 20, 2023

Review: Agustus 15, 2023

Publish: September, 2023

Keywords:

Debt Covenant, Institutional Ownership, Managerial Ownership, Independent Commissioner, Audit Committee, Board of Commissioners, Accounting Conservatism.

ABSTRACT

The purpose of this study is to provide empirical evidence regarding the effect of debt covenants and corporate governance mechanisms on accounting conservatism. The technique used in taking the sample is the quota technique. The sample used in this study is a manufacturing company in the food and beverage sub-sector listed on the Indonesia Stock Exchange in 2017-2021 and is presented in rupiah currency. The sample used in this study was 120 financial statement data or 24 companies/methods used in this study were descriptive methods and verification methods. The data analysis technique in this study used panel data regression analysis. Based on the results of the f test, it shows that debt covenant, institutional ownership, managerial ownership, independent commissioner, audit committee and board of commissioners affect simultaneously the accounting conservatism. Based on the results of the t-test (partial) shows that institutional ownership, managerial ownership, independent commissioner, audit committee and board of commissioners have a significant positive effect on the accounting conservatism, while debt covenants have a significant negative effect on the accounting conservatism.

INTRODUCTION

A financial report is an output document published by a company with the aim of providing an understanding of the company's financial condition to internal and external parties in the current year. Financial Reports according to PSAK No. 1 (2021) is part of the financial reporting process. A complete financial report usually includes a statement of financial position, a profit and loss statement, a report on changes in financial position (which can be presented in various ways, for example as a cash flow statement or funds flow statement), notes and other reports as well as explanatory material that is an internal part of the report. finance. Apart from that, it also includes schedules and additional information related to the report, for example financial information on industrial and geographic segments and disclosure of the effect of price changes.

Report financial statements made by the company must fulfil goals, rules as well as principles appropriate accounting with applicable standards general so you can produce report finances are possible responsible and useful for every the user. Principle acceptable accounting general (Generally Accepted Accounting Principles) provide freedom for management in choose method accounting used in preparation report finance. Freedom management in choose method accountancy utilized for produce report finances are different in each company in accordance with desires and needs company the or in other words the company own freedom in choose one from a number of alternatives offered in Standard Accountancy Financials (SAK) are considered in accordance with condition company. Therefore That in manufacture report finance must based on principle base report finance, one of them is principle ordinary caution called conservatism.

Conservatism is one draft basis used in Lots standard accounting in various countries before trend use of International Financial Reporting Standards (IFRS) as standard accountancy single. Conservatism is attitude or flow opposing thoughts with uncertainty with take action or decision based on results worst from uncertainty Soewardjono (2014). Meaning of terms This For report finance is that, in fact general, report finance confess cost or loss as soon as possible happen but No anticipate profit or future income although possibility big will happened (no acknowledged in advance). Importance implementation conservatism accountancy This give benefits on various reasons, one of them are the uses report finance , which is where accountancy conservative used user report For analyze related companies with evaluation profits and assets are not exaggerated and present a number of objective from exists implementation draft conservatism accountancy is give restrictions on behavior opportunistic Susanto & Ramdhani (2016).

PSAK-IFRS is Standard Accountancy Finance, according to Ardian (2011) confirms this that report internal company finances for the periods intended in report finance annual, pregnant information quality transparent height for users and can compared to throughout period presented is objective from IFRS. IFRS was created in order to report finance can become relevant and reliable, but in reality companies still face to face with " uncertainty " being reason implemented it principle conservatism in company in the midst of the IFRS era Juanda (2012). Standard Accountancy Finance (SAK) states exists a number of implementing method principle conservatism, including PSAK No. 14 regarding related supplies with election calculation cost inventory, PSAK No. 16 regarding assets fixed and depreciation (2007). PSAK No. 19 regarding assets No related forms with amortization and PSAK No. 20 about cost research development. Choice method the This will influential to value presented in report finance. So that Can said that in a way No direct draft conservatism This will influence results from report finance, and in presentation report finance must follow standard applicable accounting so No misleading for its users.

Conservatism try for verify things that result more losses fast compared to those that produce profit (gain) is made Because a number of reason. The reasons is as expressed by Savitri (2016) that conservatism done because: 1. Tendency For behave pessimistic considered need For offset possible optimism excessive from managers and owners so that trend exaggerate in reporting relatively can reduced. 2. Profit and valuation stated too higher (overstatement) more dangerous for company and its owners rather than a characteristic presentation understatement due to risk for face demands law Because considered report things that don't Correct become more big. 3. Accountant in fact more capable obtain more information Lots compared to capable communicate information the complete maybe that can communicated to investors and creditors, so accountant facing 2

types risk that is risk that what is reported it turns out No truth and risk that what not reported it turns out Correct.

According to Budiandru et al., (2019) stated with the more development study about conservatism accounting, yes indicated that in practice accountancy existence conservatism in reporting finance Still own role important. Statement the in line with study Hamzah & Suhendar (2020); Noviantari & Ratnadi (2015) stated if implemented it principle conservatism accountancy in the compile report finance so will can beneficial for avoid behavior opportunistic manager who wants to manipulate profit. Implementation principle This will balance attitude optimism excessive from managers and owners, who can leading to overstatement of earnings. Therefore that, you can concluded that apply principle conservatism will prevent possible overstatement of profits impact bad for the company in the future.

There is a number of phenomenon conservatism very accounting in Indonesia Lots carried out by companies especially those that move in the field manufacturing. Like case of PT Envy Technologies Indonesia Tbk (ENVY) and child his business. In letter information published in the disclosure information, ENVY explains the problem related with conjecture exists manipulation on report children's finances (lapkeu). his business, PT Ritel Global Solusi (RGS) in 2019. Report RGS 's 2019 finances Then consolidated to report finance ENVY annual 2019. ENVY also mentioned that party management moment This No know in a way definitely a process that is carried out moment That so that emergence report consolidation the. Based on case the refers to low implementation principle conservatism by companies in the. preparation report finance with mark more profit big from should. Therefore That required information quality and implementing finance conservatism accountancy in company.

According to Givoly & Hayn (2000) variables measurement conservatism accountancy called level conservatism accounting and owning mark negative when company apply conservatism accounting and vice versa if worth positive so company classified No apply conservatism accounting, conservatism accountancy calculated with method profit after tax added depreciation amortization minus operating cash flow then divide by total assets then times negative 1.

Following Presented data on companies that apply and do not apply conservatism accountancy.

$$\text{CONACC} = \frac{(\text{NI} + \text{DEP} - \text{CF})}{\text{TA}}$$

Table 1. Conservatism Data Accounting for Food & Beverage Companies Listed on the Indonesian Stock Exchange in 2017-2021

Code	Year					Average	Information
	2017	2018	2019	2020	2021		
ADES	0.2867	0.2660	0.2992	0.3036	-	0.0462	Kindergarten
AISA	-0.0517	0.0538	0.8227	1.1658	-	0.0796	Kindergarten
ALTO	0.1203	0.1720	0.2013	0.1851	0.1974	0.0350	Kindergarten

BTEK	0.0055	-0.1655	-0.0129	-0.0596	-	-0.0093	K
BUDI	0.2145	0.2387	0.2501	0.3445	0.4008	0.0579	Kindergarten
CAMP	0.3639	0.4389	0.4276	0.4090	0.4848	0.0850	Kindergarten
CHECK	0.0843	0.0398	0.0171	0.1891	0.3345	0.0266	Kindergarten
CLEO	-0.0391	-0.0786	-0.0512	-0.0686	-0.0886	-0.0130	K
DLTA	0.2330	0.2539	0.3123	0.2375	0.2163	0.0501	Kindergarten
DMND	0.0003	-0.0260	-0.2133	-0.2702	-0.2103	-0.0288	K
FOOD	0.3104	0.2114	0.3451	0.2003	0.3423	0.0564	Kindergarten
GOOD	0.2878	0.2585	0.2676	0.1764	-0.3303	0.0264	Kindergarten
HOCKE Y	0.3191	0.1476	0.0418	0.0069	-	0.0206	Kindergarten
ICBP	0.1059	0.1664	0.1178	0.0546	0.0729	0.0207	Kindergarten
IIKP	0.2347	0.2650	0.4843	0.1915	0.2326	0.0563	Kindergarten
FISH	-	0.3556	0.2181	0.4389	0.1211	0.0453	Kindergarten
INDF	0.1849	0.2380	0.1992	0.1489	0.1614	0.0373	Kindergarten
CHEES E	0.1134	0.2117	0.0310	0.1896	0.2028	0.0299	Kindergarten
MGNA	0.0492	-0.4576	-2.1878	5.2024	-	0.1042	Kindergarten
MLBI	0.3840	-0.4344	-0.4747	-0.6967	-0.6804	0.0761	K
MYOR	0.2758	0.3182	0.1886	0.1997	0.3298	0.0525	Kindergarten
PANI	0.3076	0.4482	0.0013	0.2743	0.0512	0.0433	Kindergarten
PCAR	0.1511	0.3118	0.0765	-0.1975	0.1814	0.0209	Kindergarten
PSDN	0.4761	0.3268	0.1088	0.3950	0.3018	0.0643	Kindergarten
BREAD	0.0847	0.1324	0.1370	0.1518	0.1856	0.0277	Kindergarten
SKBM	0.1647	0.1408	0.1425	0.1270	0.2129	0.0315	Kindergarten
SKLT	0.2403	0.2222	0.1994	0.1758	0.1948	0.0413	Kindergarten
STTP	-0.0353	0.0044	-0.0054	-0.0857	-0.0002	-0.0049	K
TBLA	0.0965	0.2248	0.1608	0.2264	0.1656	0.0350	Kindergarten
ULTJ	0.2129	0.3044	0.2439	0.1930	0.2451	0.0480	Kindergarten

Information:

TK= No Conservative, K Conservative

From Table 1. you can seen from 30 sub- sector companies food and beverages registered on the IDX in 2017-2021 , there are 25 companies that have not conservative in serve report financial and new there are 5 companies that are conservative in serve report published financials . So , new around 18% of sub- sector companies food and drinks that apply conservatism accounting , while the other 73% Still Not yet apply conservatism accountancy .

There are many factors that can influence accounting conservatism, including managerial ownership Enni (2016), Agustina et al., (2016) and Sujana & Wida (2021). The next factor is institutional ownership Alvino & Sebrina, (2020), (El-Haq et al., 2019; Hasanah et al., 2020), Chi et al, (2017) and Widayati, 2011). The next factor is debt covenant Suwarta et al., (2020), Latifa, Kania and Heliana, 2016, (Savitri, 2016; Suhendar & Hakim, 2021), Nurfatimah & Barokah (2017); Pambudi (2017); Sulastiningsih & Husna (2017). Then, namely the audit committee Sujana & Wida (2021), Sultana (2015). Then profitability Puspasari & Purnama (2018); Suwarta et al., (2020); Arsita & Kristanti (2019), Hartyawan & Kartika (2023) The next factor is independent commissioners Rahmawati, (2010),

Bahaudin & Wijayanti (2011); Rahmawati & Martika (2018); Zulaikha (2012). This research raises debt contract factors and corporate governance mechanisms that can influence accounting conservatism.

Factor first influence conservatism accountancy is contract debt. Contract debt is contract presented to the borrower by the creditor for limit possible activities damage mark loans and loan recovery Fatmarini (2013). Contract debt predict that manager tend for state in a way excessive profits and assets for reduce renegotiation cost contract debt. Neither did the manager want to its performance assessed not enough Good if profit reported conservative Purnama et al., (2016); Santy et al., (2017); Sulastiningsih & Husna (2017). The results of research conducted by Sinambela & Almilial (2018) show contract debt influential positive to conservatism accountancy. Whereas research conducted by A'isyah & Vestari (2019); Nurhayati & Rahman (2023) shows contract debt influential negative to conservatism accountancy. Research conducted by E. Nurhayati et al., (2023); Suprapti et al., (2022) shows contract debt influential negative significant to conservatism accountancy.

Factor both influences conservatism accountancy is ownership institutional. According to Pasaribu (2016); Puspasari & Purnama (2018) institutional is percentage shares owned by institutions. Ownership institutional is tools that can used For reduce conflict interest in a company. Ownership Institutional is big amount ownership shares by institutions (government, companies foreign, institutional finance like insurance, banks, and pension funds) contained in the company. Research conducted by Alvino & Sebrina (2020); El-Haq et al., (2019); Hamzah et al., (2023), shows that ownership institutional influential positive to conservatism accounting , meanwhile study Sugiarto & Nurhayati (2017) found no results consistent that is No There is influence between ownership institutional to conservatism accountancy .

Factor third influence conservatism accountancy is ownership managerial. Ownership managerial according to Bernandhi & Muid (2014) is the more many shares owned by the manager the company being measured as percentage from amount shares owned by the manager the. Size share senior management in the company determine harmony interest managers and holders share. Company with amount share great controller should own conflict and costs low agency. Studies Widayati (2011), Ramadhoni & Hasan, (2014), Saputra et al., (2016) and (Agustina et al., 2016) show that ownership managerial influential positive and significant to conservatism accountancy . On the side others, research by D. N. Sari (2014); Devi et al. (2014); and Wulansari et al., (2014) found that conservatism accountancy influential negative and significant to ownership managerial.

Factor fourth influence conservatism accountancy is commissioner independent. According to Sam'ani (2008) in Ulimaz Talitha Rahma (2016) Commissioner Independent is originating commissioner from outside companies that don't own interests (independent) of the company's stakeholders. Originating Commissioner from outside company tend will act more independent, so can monitor and control management. A study conducted by (Maimiati, 2017; N. Nurhayati, 2021) shows that commissioner independent influential to conservatism in accounting, results study This different with results research conducted by Anam & Liyanto (2019); Hamzah & Sukma (2021) and research Hakiki & Solikhah (2019) which states that commissioner independent No influential to conservatism accountancy .

Factor fifth influence conservatism in auditing is audit committee. The audit committee is liaison between management company and board of directors, and findings made in role

monitor activity management company for develop activity the. According to Lestari & Oktaviana (2020); Santy et al., (2017) audit committee is helpful committee implementation duties and responsibilities of the board of commissioners related with internal and external audits. As person responsible on report finance so member audit committee attitude independent, objective and professional in audit report that has been made as base taking decision. Study previously about influence audit committee against implementation norm conservatism accounting by Sultana (2015) states that characteristics influential audit committee positive to conservatism accounting , meanwhile research Anam & Liyanto (2019), Sari et al (2017) audit committees have influence negative in implementation conservatism accountancy .

Factor sixth influence conservatism accountancy is the board of commissioners. Board of Commissioners is members of the board of commissioners for operate his work inside a company. Board of Commissioners is amount members of the board of commissioners who come from from internal or external company (Ambarsari, 2019). Number of board of commissioners must can guarantee that the mechanism supervision walk in a way effective and appropriate with regulation legislation. With exists good supervision so objective company can achieved. Qualification commissioner There is three kind, ie qualification association certain, qualifications accounting / finance, and governance qualifications. In the research conducted by (Nasr & Ntim (2018); Sholihah et al., (2020) stated that size of the board of commissioners own influence negative to conservatism accounting, and also research conducted Sari & Srimindarti (2022) states that the board of commissioners No own influence to level conservatism accountancy. Whereas research Arsita & Kristanti (2019); Yusuf & Nurhayati (2017) states that the board of commissioners influential significant to conservatism accountancy. Based on the phenomenon and the research gap researcher interested For do study regarding "Influence Contract Debt and Corporate Governance Mechanisms Against Conservatism Accountancy".

METHOD

In this research, the author used descriptive and verification analysis methods, namely, the research results were then processed and analyzed to draw conclusions. Variables used in study can classified into 2 ie variable independent (free), and variable dependent (bound). Population in study This is report finance in Manufacturing Companies Sector Food and Beverages listed on the Indonesia Stock Exchange (BEI) during period 2017-2021, namely as many as 30 companies or 150 observation data. Then done withdrawal sample with use quota sampling technique with objective for get representative sample so obtained Minimum sample of 24 companies Manufacturing Company sector Sector Food & Drinks Listed on BEI. The type of data in this research uses quantitative data. According to Sugiyono (2013) quantitative data is a type of data that can be measured or calculated directly, in the form of information or explanations expressed in numbers or numerical form.

Based on primary and secondary data sources, research This using secondary data namely the data obtained in a way No direct or through intermediary media. Deep data study This form report finances and reports annual (annual report) Manufacturing Company Sector Food & Beverages listed on the Indonesian Stock Exchange are published on the Indonesian Stock Exchange www.idx.co.id. In study this, technique data collection used is

observation no participate, that is observations made researcher with No involve self or follow as well as direct in activity observation but look for it.

RESULTS AND DISCUSSION

Hasil Uji Multikolinearitas

The multicollinearity test in this study was carried out by looking at the tolerance value and its opposite Variance Inflation Factor (VIF). This test is carried out by comparing the individual coefficient of determination (r^2) with the simultaneous determination value (R^2) and by looking at the eigenvalue and condition index. To detect multicollinearity by making the following hypothesis:

Table 2. Hasil Uji Multikolinearitas

V a r i a n c e I n f l a t i o n F a c t o r s

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I n c l u d e d o b s e r v a t i o n s : 118

	C o e f f i c i e n t	U n c e n t e r e d	C e n t e r e d
V a r i a b l e	V a r i a n c e	V I F	V I F
C	0.006082	107.3824	NA
KH	6.49 E - 08	1.064924	1.027654
KI	0.000884	6.688324	1.196266
KM	2.46 E - 08	1.366965	1.354699
KIN	0.011343	32.14832	1.442505
YOU	0.000347	52.67169	1.183277
DK	2.85 E - 05	8.191289	1.184372

Source: output evIEWS ver 9

Based on Table 2. it can be seen that the independent variable has a VIF value < 10 , so H_0 is accepted so it can be concluded that there is no multicollinearity in the regression model.

Hasil Uji Koefisien Determinasi (R^2)

To determine the magnitude of the influence of the independent variables on the dependent variable together, the coefficient of determination is used. The coefficient of determination is the percentage of influence of the independent variable on the dependent variable. The R^2 value is between 0 and 1, where if the R^2 value is closer to 1, it means that the influence of the independent variable on the dependent variable is getting stronger, and vice versa. Analysis of the coefficient of determination using the fixed effect model is obtained as follows:

Table 3. Test Results Coefficient of Determination (R^2)

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	6.436598	0.943745	6.820272	0.0000
KH?	-0.685465	0.121320	-5.650057	0.0000
KI?	0.403396	0.124402	3.242680	0.0031
KM?	0.300176	0.121281	2.475054	0.0302
KIN?	0.463958	0.134301	3.454613	0.0020
YOU?	0.476829	0.080460	5.926263	0.0000

Source: output evIEWS ver 9

Based on Table 3. the Adjusted R-squared value is 0.576024. This means that the independent variables in this case debt contracts, institutional ownership, managerial ownership, independent commissioners, audit committee and board of commissioners simultaneously explain the dependent variable in this case accounting conservatism by 57.6024% while the remaining 42.3976% is explained by other independent variables which are not examined in this research or outside the research mode

Hasil Uji t

The partial test is used to determine the level of significance between each variable individually/partially. Based on data processing using the EvIEWS 9 application program based on the fixed effect model, the following partial test results were obtained:

Table 4. Fixed effect test results

R - s q u a r e d	0.679346	M e a n d e p e n d e n t v a r	0.152293
A d j u s t e d R - s q u a r e d	0.576024	S . D . d e p e n d e n t v a r	0.205453
S . E . o f r e g r e s s i o n s	0.133778	A k a i t o i n f o c r i t e r i o n	-0.972957
S u m s q u a r e d r e s i d	1.610682	S c h w a r z c r i t e r i o n	-0.276084
L o g l i k e l i h o o d	88.37742	H a n n a n - Q u i n n c r i t e r .	-0.689954
F - s t a t i s t i c	6.575048	D u r b i n - W a t s o n s t a t	1.67061
Prob(F-statistic)	0.000000		

Source: output reviews ver 9

Based on the table above, it is possible to test the influence of debt contracts, institutional ownership, managerial ownership, independent commissioners, audit committees and boards of commissioners on accounting conservatism as follows:

- 1) Influence contract debt to conservatism accountancy. Testing variable contract debt to accounting conservatism, the t statistic value is -5.650057. In level significant of (t_{count}) 0.05 and the degree of freedom $f = nk = 120 - 6 = 114$ is obtained t_{table} of -

- 1.65833. So it can be concluded that mark t_{count} more small from the table ($-5.650057 < -1.65833$) and the significant value is 0.0000 0.05, then H_0 is rejected and H_2 is accepted, meaning that debt contracts have a negative and significant effect on accounting conservatism (Hypothesis 2 is accepted).
- 2) Influence ownership institutional to conservatism accountancy. Testing variable ownership institutional to conservatism accountancy the t statistic value (t_{count}) is 3.242680. In level significant of 0.05 and level freedom $df = n - k = 120 - 6 = 114$ is obtained t_{table} amounting to 1.65833. So that can concluded that mark t_{count} more big from t_{table} ($3.24268 > 1.65833$) and value significant 0.0031 0.05 then H_0 is rejected and H_3 accepted, that is ownership institutional influential positive and significant to conservatism accounting (Hypothesis 3 is accepted).
 - 3) Influence ownership managerial to conservatism accountancy. Testing variable ownership managerial to conservatism accountancy the t statistic value (t_{count}) is 2.475054. In level significant of 0.05 and level freedom $df = n - k = 120 - 6 = 114$ is obtained t_{table} amounting to 1.66216. So that can concluded that mark t_{count} more big from t_{table} ($2.475054 > 1.65833$) and value significant 0.0302 0.05 then H_0 rejected and H_4 accepted, that is ownership managerial influential positive and significant to conservatism accounting (Hypothesis 4 is accepted).
 - 4) Influence commissioner independent to conservatism accountancy Testing variable commissioner independent to conservatism accountancy the t statistic value (t_{count}) is 3.454613. In level significant of 0.05 and level freedom $df = n - k = 120 - 6 = 114$ is obtained t_{table} amounting to 1.65833. So that can concluded that mark t_{count} more big from t_{table} ($3.454613 > 1.65833$) and value significant. 0.0020 0.05 then H_0 is rejected and H_5 accepted, that is commissioner independent influential positive and significant to conservatism accounting (Hypothesis 5 is accepted).
 - 5) Influence audit committee against conservatism accountancy. Testing variable audit committee against conservatism accountancy the t statistic value (t_{count}) is 5.926263. In level significant of 0.05 and level freedom $df = n - k = 120 - 6 = 114$ is obtained t_{table} equal to 1.65833, so can concluded that mark t_{count} more big from t_{table} ($5.926263 > 1.65833$) and value significant 0.0000 0.05 then H_0 rejected and H_6 accepted, that is influential audit committee positive and significant to conservatism accounting (Hypothesis 6 is accepted).
 - 6) Influence of the board of commissioners to conservatism accountancy. Testing board of commissioners variable to conservatism accountancy The t statistic value (t_{count}) is 5.637933. In level. significant of 0.05 and level freedom $df = n - k = 120 - 6 = 114$ is obtained t_{table} amounting to 1.65833. So that can concluded that mark t_{count} more big from t_{table} ($5.637933 > 1.65833$) and value significant 0.0000 0.05 then H_0 is rejected and H_7 , accepted, meaning the board of commissioners influential positive and significant to conservatism accounting (Hypothesis 7 is accepted).

Hasil Uji F

Basically, the f statistical test basically shows whether all the independent variables included in the model have a simultaneous influence on the dependent variable. The test

was carried out using a significance level of 0.05 ($\alpha = 5\%$). The results of the F test are displayed in the table as follows:

Table 5. Fixed effect test results

R - s q u a r e d	0.679346	M e a n d e p e n d e n t v a r	0.152293
A d j u s t e d R - s q u a r e d	0.576024	S . D. d e p e n d e n t v a r	0.205453
S . E . o f r e g r e s s i o n s	0.133778	A k a i t o i n f o c r i t e r i o n	-0.972957
S u m s q u a r e d r e s i d	1.610682	S c h w a r z c r i t e r i o n	-0.276084
L o g l i k e l i h o o d	88.37742	H a n n a n - Q u i n n c r i t e r .	-0.689954
F-statistic	6.575048	D u r b i n - W a t s o n s t a t	1.67061
Prob(F-statistic)	0.000000		

Source: output reviews ver 9

Based on table 5. it is known that the calculated F value is 6.575048 with a significance of 0.000000. In the F table the significance level is 5% with $df_1 = \text{number of variables} - 1 = 7 - 1 = 6$ and $df_2 = \text{number of samples (n)} - \text{number of independent variables (k)} - 1 = 120 - 6 - 1 = 113$, the results of the F table is 2.18. Calculated F value = 6.575048 > F table = 2.18 with a probability value of 0.000000 < 0.05 so that H_0 is rejected and H_1 is accepted. Debt contracts, institutional ownership, managerial ownership, independent commissioners, audit committee and board of commissioners have a simultaneous and significant effect on accounting conservatism (Hypothesis 1 is accepted).

CONCLUSION

This research aims to determine the influence of debt contracts and corporate governance mechanisms on accounting conservatism in food & beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2017-2021. The results of hypothesis testing using panel data regression analysis can be drawn as follows:

- 1) Contract debt and governance mechanisms company influential significant to conservatism. This matter means that use variable contract debt, ownership institutional, ownership managerial, commissioner independent, audit committee and board of commissioners in a way together can explain happen conservatism accounting at the company manufacturing sub sector food & beverages listed on the IDX in 2017-2021.
- 2) Contract debt influential negative significant to conservatism accounting, p This show that the more tall contract debt so conservatism accountancy the more low. On the contrary If the more low level contract debt so will the more tall conservatism accountancy.
- 3) Ownership institutional influential positive significant to conservatism accounting, p This show that the more tall ownership institutional so the more also high

conservatism accountancy On the contrary If the more low ownership institutional so now also low in conservatism accountancy.

- 4) Ownership managerial influential positive significant to conservatism accounting, p This show that the more tall ownership managerial so the more also high conservatism accounting presented company. On the contrary If the more low level ownership managerial so will the more also low in conservatism accountancy.
- 5) Commissioner independent influential positive significant to conservatism accounting, p This show that the more tall level supervision commissioner independent so the more also high conservatism accountancy. On the contrary If the more low level level supervision commissioner independent so will the more also low in conservatism accountancy.
- 6) audit committee is influential positive significant to conservatism accounting, p This show that the more tall level audit committee then the more also high conservatism accountancy. On the contrary If the more low level audit committee then will the more also low in conservatism accountancy.
- 7) Board of Commissioners influential positive significant to conservatism accounting, p This show that the more height of the board of commissioners so the more also high conservatism accounting presented company. On the contrary If the more low board of commissioners level so will the more also low in conservatism accountancy.

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